

HOUSE BILL 439

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CF SB 234

By: **The Speaker (By Request – Administration) and Delegates Nathan–Pulliam, Cardin, Cullison, Hammen, Hixson, Holmes, Howard, Hubbard, Lee, Mizeur, Morhaim, Pena–Melnyk, Ross, ~~and V. Turner~~ V. Turner, Pendergrass, Oaks, A. Kelly, Tarrant, Donoghue, and Reznik**

Introduced and read first time: February 1, 2012

Assigned to: Health and Government Operations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 20, 2012

CHAPTER _____

1 AN ACT concerning

2 **Maryland Health Improvement and Disparities Reduction Act of 2012**

3 FOR the purpose of requiring the Secretary of Health and Mental Hygiene to
4 designate certain areas as Health Enterprise Zones in a certain manner;
5 specifying the purpose of establishing Health Enterprise Zones; ~~requiring~~
6 authorizing the ~~Department~~ Secretary, in consultation with the Community
7 Health Resources Commission, to adopt certain regulations; requiring the
8 Secretary to consult with the Office of Minority Health and Health Disparities
9 in implementing this Act; authorizing certain nonprofit community–based
10 organizations or local government agencies to apply to the ~~Commission~~
11 Secretary on behalf of certain areas for designation as Health Enterprise Zones;
12 establishing certain procedures and requirements in connection with the
13 application process; requiring the Commission to make certain
14 recommendations to the Secretary; requiring the Secretary to consider certain
15 factors when designating areas as health enterprise zones and authorizing the
16 Secretary to direct the Commission to conduct certain outreach efforts;
17 authorizing the Secretary to limit the number of areas designated as Health
18 Enterprise Zones; requiring the Commission and Secretary to give priority to
19 applications in a certain manner; requiring the Commission to provide funding
20 in accordance with the designation of the Secretary of a Health Enterprise Zone;
21 authorizing certain licensed health care providers who practice in the Health
22 Enterprise Zones to receive certain benefits, including certain grants;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 authorizing certain nonprofit community-based organizations or local
 2 government agencies to receive certain grants; establishing a Health Enterprise
 3 Zone Reserve Fund; requiring the Commission and the ~~Department~~ Secretary to
 4 submit certain annual reports; allowing a credit against the State income tax
 5 for certain health care providers who practice in Health Enterprise Zones under
 6 certain circumstances; ~~allowing certain nonprofit community-based~~
 7 ~~organizations or local government agencies to assign certain tax credits~~
 8 allowing a refundable State income tax credit in certain circumstances for
 9 certain health care providers who practice in, and hire certain health care
 10 providers to practice in, a Health Enterprise Zone; requiring the Department to
 11 certify to the Comptroller the applicability of the credit for each health care
 12 provider and the amount of each credit assigned; limiting the amount of the
 13 credits allowed for a fiscal year; requiring the Department, in consultation with
 14 the Comptroller, to adopt certain regulations; requiring a certain evaluation
 15 system to establish and incorporate a certain set of measures regarding racial
 16 and ethnic variations in quality and outcomes and include certain information
 17 on certain actions taken relating to health disparities; requiring a certain
 18 community benefit report to include certain information relating to health
 19 disparities; requiring certain institutions of higher education to make a certain
 20 annual report to the Governor and the General Assembly relating to health
 21 disparities; requiring the Health Services Cost Review Commission and the
 22 Maryland Health Care Commission to conduct a certain study, develop certain
 23 regulations, and report to the Governor and General Assembly on or before a
 24 certain date; requiring the Maryland Health Quality and Cost Council to
 25 convene a certain workgroup and issue a certain report on or before a certain
 26 date; defining certain terms; providing for the application of certain provisions
 27 of this Act; providing for the termination of certain provisions of this Act; and
 28 generally relating to health improvement and the reduction of health
 29 disparities.

30 BY adding to

31 Article – Health – General

32 Section 20–904; and 20–1401 through ~~20–1406~~ 20–1407 to be under the new
 33 subtitle “Subtitle 14. Health Enterprise Zones”

34 Annotated Code of Maryland

35 (2009 Replacement Volume and 2011 Supplement)

36 BY adding to

37 Article – Tax – General

38 Section 10–731

39 Annotated Code of Maryland

40 (2010 Replacement Volume and 2011 Supplement)

41 BY repealing and reenacting, with amendments,

42 Article – Health – General

43 Section 19–134(c) and 19–303(c)

44 Annotated Code of Maryland

1 (2009 Replacement Volume and 2011 Supplement)

2 Preamble

3 WHEREAS, The State of Maryland has numerous advantages for its residents
4 to enjoy good health care, such as the 3rd highest median household income, the 2nd
5 highest number of primary care physicians per capita, the 10th lowest rate of smoking,
6 and outstanding medical schools; and

7 WHEREAS, Despite these advantages, the State continues to lag behind other
8 states on a number of key health indicators, such as ranking 43rd in infant mortality,
9 31st in early prenatal care, 28th in obesity prevalence, 31st in diabetes prevalence,
10 35th in cardiovascular deaths, 32nd in cancer deaths, and 33rd for geographic health
11 disparities; and

12 WHEREAS, The State also demonstrates significant disparities in health care
13 and health outcomes; and

14 WHEREAS, Examples of these disparities include a Black or African American
15 death rate from HIV/AIDS that is 15 times higher than the White rate; an American
16 Indian or Alaska Native end-stage kidney disease rate that is 3 times the White rate;
17 an Asian or Pacific Islander death rate from tuberculosis that is 9 times higher than
18 the White ~~rate, and rate;~~ a Hispanic rate of lack of health insurance that is 4.4 times
19 the White rate; and a White rate of completion of advance directives that is 2 times the
20 Minority rate; and

21 WHEREAS, Health disparities exist in urban, suburban, and rural communities
22 in the State; and

23 WHEREAS, Communities where significant health disparities exist also often
24 face shortages in the primary health care workforce, including nurses; and

25 WHEREAS, Health disparities are the result of modifiable health care system
26 factors, community factors, and individual factors; and

27 WHEREAS, Key strategies for reducing and eliminating health disparities
28 include collection and analysis of racial and ethnic data; inclusion of minority
29 communities in health planning and outreach to those communities with health
30 education and health services; cultural and linguistic health competency among
31 service providers; diversity in the health care and public health workforce; access to
32 primary care practitioners; and attention to the social determinants of health; and

33 WHEREAS, Health disparities present a serious fiscal challenge for our State
34 and nation and result in significant costs; a 2009 report titled “The Economic Burden
35 of Health and Equalities in the United States” released by the Joint Center for
36 Political and Economic Studies found that between 2003 and 2006, the U.S. could have

1 saved nearly \$230 billion in direct medical care costs if racial and ethnic health
2 disparities did not exist; and

3 WHEREAS, By 2045, over one-half of the U.S. population will be persons of
4 color, and in order to reach health equity and stem the tide of rising health care costs,
5 the State must take advantage of the tools provided by the federal Affordable Care Act
6 to expand access, eliminate disparities, and make Maryland the healthiest state in the
7 nation; and

8 WHEREAS, The Maryland Health Quality and Cost Council formed a
9 workgroup to examine ways to reduce health disparities in the State; and

10 WHEREAS, The workgroup noted significant disparities between blacks and
11 whites in Maryland in hospital admission rates measured by the federal Agency for
12 Healthcare Research and Quality; and

13 WHEREAS, The workgroup found that these admission disparities were
14 especially high for lung disease, cardiovascular disease, and diabetes; and

15 WHEREAS, The workgroup and the Maryland Health Quality and Cost Council
16 recommended taking aggressive action to reduce health disparities in Maryland and
17 improve the health of all Marylanders; now, therefore,

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article – Health – General**

21 **SUBTITLE 14. HEALTH ENTERPRISE ZONES.**

22 **20-1401.**

23 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
24 **INDICATED.**

25 **(B) “AREA” MEANS A CONTIGUOUS GEOGRAPHIC AREA THAT:**

26 **(1) DEMONSTRATES MEASURABLE AND DOCUMENTED HEALTH**
27 **DISPARITIES AND POOR HEALTH OUTCOMES; AND**

28 **(2) IS SMALL ENOUGH TO ALLOW FOR THE INCENTIVES OFFERED**
29 **UNDER THIS SUBTITLE TO HAVE A SIGNIFICANT IMPACT ON IMPROVING HEALTH**
30 **OUTCOMES AND REDUCING HEALTH DISPARITIES, INCLUDING RACIAL, ETHNIC,**
31 **AND GEOGRAPHIC HEALTH DISPARITIES.**

1 (C) "COMMISSION" MEANS THE COMMUNITY HEALTH RESOURCES
2 COMMISSION.

3 (D) "FUND" MEANS THE HEALTH ENTERPRISE ZONE RESERVE FUND
4 ESTABLISHED UNDER § 20-1406 OF THIS SUBTITLE.

5 ~~(D)~~ (E) "HEALTH ENTERPRISE ZONE" MEANS A CONTIGUOUS
6 GEOGRAPHIC AREA THAT:

7 (1) DEMONSTRATES MEASURABLE AND DOCUMENTED HEALTH
8 DISPARITIES AND POOR HEALTH OUTCOMES;

9 (2) IS SMALL ENOUGH TO ALLOW FOR THE INCENTIVES OFFERED
10 UNDER THIS SUBTITLE TO HAVE A SIGNIFICANT IMPACT ON IMPROVING HEALTH
11 OUTCOMES AND REDUCING HEALTH DISPARITIES, INCLUDING RACIAL, ETHNIC,
12 AND GEOGRAPHIC HEALTH DISPARITIES; AND

13 (3) IS DESIGNATED AS A HEALTH ENTERPRISE ZONE BY THE
14 COMMISSION AND THE SECRETARY IN ACCORDANCE WITH THE PROVISIONS OF
15 THIS SUBTITLE.

16 ~~(E)~~ (F) "HEALTH ENTERPRISE ZONE PRACTITIONER" MEANS A
17 ~~LICENSED HEALTH CARE PROVIDER WHO PRACTICES AS A FAMILY PHYSICIAN,~~
18 ~~AN INTERNIST, A PEDIATRICIAN, AN OBSTETRICIAN, A GYNECOLOGIST, A~~
19 ~~GERIATRICIAN, A PSYCHIATRIST, A DENTIST, OR A PRIMARY CARE NURSE~~
20 ~~PRACTITIONER~~ HEALTH CARE PRACTITIONER WHO IS LICENSED OR CERTIFIED
21 UNDER THE HEALTH OCCUPATIONS ARTICLE AND WHO PROVIDES:

22 (1) PRIMARY CARE, INCLUDING OBSTETRICS, GYNECOLOGICAL
23 SERVICES, PEDIATRIC SERVICES, OR GERIATRIC SERVICES;

24 (2) BEHAVIORAL HEALTH SERVICES, INCLUDING MENTAL
25 HEALTH OR ALCOHOL AND SUBSTANCE ABUSE SERVICES; OR

26 (3) DENTAL SERVICES.

27 20-1402.

28 (A) THE PURPOSE OF ESTABLISHING HEALTH ENTERPRISE ZONES IS
29 TO TARGET STATE RESOURCES TO REDUCE HEALTH DISPARITIES, IMPROVE
30 HEALTH OUTCOMES, AND REDUCE HEALTH COSTS AND HOSPITAL ADMISSIONS
31 AND READMISSIONS IN SPECIFIC AREAS OF THE STATE.

1 **(B) (1) ~~THE DEPARTMENT~~ SECRETARY, IN CONSULTATION WITH THE**
2 **COMMISSION, ~~SHALL~~ MAY ADOPT REGULATIONS TO CARRY OUT THE**
3 **PROVISIONS OF THIS SUBTITLE AND TO SPECIFY ELIGIBILITY CRITERIA AND**
4 **APPLICATION, APPROVAL, AND MONITORING PROCESSES FOR THE BENEFITS**
5 **UNDER THIS SUBTITLE.**

6 **(2) THE SECRETARY SHALL CONSULT WITH THE OFFICE OF**
7 **MINORITY HEALTH AND HEALTH DISPARITIES IN IMPLEMENTING THE**
8 **PROVISIONS OF THIS SUBTITLE.**

9 **20-1403.**

10 **(A) IN ORDER FOR AN AREA TO RECEIVE DESIGNATION AS A HEALTH**
11 **ENTERPRISE ZONE, A NONPROFIT COMMUNITY-BASED ORGANIZATION OR A**
12 **LOCAL GOVERNMENT AGENCY SHALL APPLY TO THE ~~COMMISSION~~ SECRETARY**
13 **ON BEHALF OF THE AREA TO RECEIVE DESIGNATION.**

14 **(B) THE APPLICATION SHALL BE IN THE FORM AND MANNER AND**
15 **CONTAIN THE INFORMATION THAT THE COMMISSION AND THE SECRETARY**
16 **REQUIRE.**

17 **(C) THE APPLICATION SHALL CONTAIN AN EFFECTIVE AND**
18 **SUSTAINABLE PLAN TO REDUCE HEALTH DISPARITIES, REDUCE COSTS OR**
19 **PRODUCE SAVINGS TO THE HEALTH CARE SYSTEM, AND IMPROVE HEALTH**
20 **OUTCOMES, INCLUDING:**

21 **(1) A DESCRIPTION OF THE PLAN OF THE NONPROFIT**
22 **COMMUNITY-BASED ORGANIZATION OR LOCAL GOVERNMENT AGENCY TO**
23 **UTILIZE FUNDING AVAILABLE UNDER THIS SUBTITLE TO ADDRESS HEALTH**
24 **CARE PROVIDER CAPACITY, IMPROVE HEALTH SERVICES DELIVERY,**
25 **EFFECTUATE COMMUNITY IMPROVEMENTS, OR CONDUCT OUTREACH AND**
26 **EDUCATION EFFORTS; AND**

27 **(2) A PROPOSAL TO USE FUNDING AVAILABLE UNDER THIS**
28 **SUBTITLE TO PROVIDE FOR LOAN REPAYMENT INCENTIVES TO INDUCE HEALTH**
29 **ENTERPRISE ZONE PRACTITIONERS TO PRACTICE IN THE AREA.**

30 **(D) THE APPLICATION MAY ALSO CONTAIN A PLAN TO UTILIZE OTHER**
31 **BENEFITS, INCLUDING:**

32 **(1) TAX CREDITS AVAILABLE UNDER THIS SUBTITLE AND §**
33 **10-731 OF THE TAX - GENERAL ARTICLE TO ENCOURAGE HEALTH**
34 **ENTERPRISE ZONE PRACTITIONERS TO ESTABLISH OR EXPAND HEALTH CARE**
35 **PRACTICES IN THE AREA; ~~AND~~**

1 **(2) A PROPOSAL TO USE INNOVATIVE PUBLIC HEALTH**
2 **STRATEGIES TO REDUCE HEALTH DISPARITIES IN THE AREA, SUCH AS THE USE**
3 **OF COMMUNITY HEALTH WORKERS, HEALTH COACHES, REGISTERED**
4 **DIETICIANS, OPTOMETRISTS, PEER LEARNING, AND COMMUNITY-BASED**
5 **DISEASE MANAGEMENT ACTIVITIES, THAT COULD BE SUPPORTED BY GRANTS**
6 **AWARDED UNDER THIS SUBTITLE; AND**

7 ~~(2)~~ **(3) A PROPOSAL TO USE OTHER INCENTIVES OR**
8 **MECHANISMS TO ADDRESS HEALTH DISPARITIES THAT FOCUS ON WAYS TO**
9 **EXPAND ACCESS TO CARE, PROMOTE HIRING, AND REDUCE COSTS TO THE**
10 **HEALTH CARE SYSTEM.**

11 **20-1404.**

12 **(A) THE COMMISSION SHALL MAKE RECOMMENDATIONS TO THE**
13 **SECRETARY ON THE DESIGNATION OF HEALTH ENTERPRISE ZONES UNDER**
14 **THIS SUBTITLE.**

15 **(B) (1) THE SECRETARY SHALL DESIGNATE AREAS AS HEALTH**
16 **ENTERPRISE ZONES IN ACCORDANCE WITH THIS SUBTITLE.**

17 **(2) THE SECRETARY SHALL CONSIDER GEOGRAPHIC DIVERSITY,**
18 **AMONG OTHER FACTORS, WHEN DESIGNATING AREAS AS HEALTH ENTERPRISE**
19 **ZONES AND MAY DIRECT THE COMMISSION TO CONDUCT OUTREACH EFFORTS**
20 **TO FACILITATE A GEOGRAPHICALLY DIVERSE POOL OF APPLICANTS, INCLUDING**
21 **PROMOTING APPLICATIONS FROM RURAL AREAS.**

22 **(C) THE SECRETARY MAY LIMIT THE NUMBER OF AREAS DESIGNATED**
23 **AS HEALTH ENTERPRISE ZONES IN ACCORDANCE WITH THE STATE BUDGET.**

24 **(D) THE COMMISSION AND THE SECRETARY SHALL GIVE PRIORITY TO**
25 **APPLICATIONS THAT DEMONSTRATE THE FOLLOWING:**

26 **(1) SUPPORT FROM AND PARTICIPATION OF KEY STAKEHOLDERS**
27 **IN THE PUBLIC AND PRIVATE SECTORS, INCLUDING RESIDENTS OF THE AREA**
28 **AND LOCAL GOVERNMENT;**

29 **(2) A PLAN FOR LONG-TERM FUNDING AND SUSTAINABILITY;**

30 **(3) INCLUSION OF SUPPORTING FUNDS FROM THE PRIVATE**
31 **SECTOR;**

1 (4) ~~THE SUPPORT~~ INTEGRATION WITH THE STATE HEALTH
2 IMPROVEMENT PROCESS AND THE GOALS SET OUT IN THE STRATEGIC PLAN OF
3 THE LOCAL HEALTH IMPROVEMENT COALITION;

4 (5) A PLAN FOR EVALUATION OF THE IMPACT OF DESIGNATION
5 OF THE PROPOSED AREA AS A HEALTH ENTERPRISE ZONE; AND

6 (6) OTHER FACTORS THAT THE COMMISSION AND THE
7 SECRETARY DETERMINE ARE APPROPRIATE TO DEMONSTRATE A COMMITMENT
8 TO REDUCE DISPARITIES AND IMPROVE HEALTH OUTCOMES.

9 (E) THE DECISION OF THE SECRETARY TO DESIGNATE AN AREA AS A
10 HEALTH ENTERPRISE ZONE IS FINAL.

11 **20-1405.**

12 (A) HEALTH ENTERPRISE ZONE PRACTITIONERS THAT PRACTICE IN A
13 HEALTH ENTERPRISE ZONE MAY RECEIVE:

14 (1) TAX CREDITS AGAINST THE STATE INCOME TAX AS PROVIDED
15 IN § 10-731 OF THE TAX – GENERAL ARTICLE;

16 (2) LOAN REPAYMENT ASSISTANCE, AS PROVIDED FOR IN THE
17 APPLICATION FOR DESIGNATION FOR THE HEALTH ENTERPRISE ZONE AND
18 APPROVED BY THE SECRETARY AND THE COMMISSION UNDER THIS SUBTITLE;

19 (3) PRIORITY TO ENTER THE MARYLAND PATIENT CENTERED
20 MEDICAL HOME PROGRAM, IF THE HEALTH ENTERPRISE ZONE PRACTITIONER
21 MEETS THE STANDARDS DEVELOPED BY THE MARYLAND HEALTH CARE
22 COMMISSION FOR ENTRY INTO THE PROGRAM; AND

23 (4) PRIORITY FOR THE RECEIPT OF ANY STATE FUNDING
24 AVAILABLE FOR ELECTRONIC HEALTH RECORDS, IF FEASIBLE AND IF OTHER
25 STANDARDS FOR RECEIPT OF THE FUNDING ARE MET.

26 (B) A NONPROFIT COMMUNITY-BASED ORGANIZATION OR A LOCAL
27 GOVERNMENT AGENCY THAT APPLIES ON BEHALF OF AN AREA FOR
28 DESIGNATION AS A HEALTH ENTERPRISE ZONE MAY RECEIVE GRANTS, AS
29 DETERMINED BY THE COMMISSION AND THE SECRETARY, TO IMPLEMENT
30 ACTIONS OUTLINED IN THE ORGANIZATION'S OR AGENCY'S APPLICATION TO
31 IMPROVE HEALTH OUTCOMES AND REDUCE HEALTH DISPARITIES IN THE
32 HEALTH ENTERPRISE ZONE.

1 (C) (1) A HEALTH ENTERPRISE ZONE PRACTITIONER MAY APPLY TO
2 THE SECRETARY FOR A GRANT TO DEFRAY THE COSTS OF CAPITAL OR
3 LEASEHOLD IMPROVEMENTS TO, OR MEDICAL OR DENTAL EQUIPMENT TO BE
4 USED IN, A HEALTH ENTERPRISE ZONE.

5 (2) TO QUALIFY FOR A GRANT UNDER PARAGRAPH (1) OF THIS
6 SUBSECTION, A HEALTH ENTERPRISE ZONE PRACTITIONER SHALL:

7 (I) OWN OR LEASE THE HEALTH CARE FACILITY; AND

8 (II) PROVIDE HEALTH CARE FROM THAT FACILITY.

9 (3) (I) A GRANT TO DEFRAY THE COST OF MEDICAL OR DENTAL
10 EQUIPMENT MAY NOT EXCEED THE LESSER OF \$25,000 OR 50% OF THE COST OF
11 THE EQUIPMENT.

12 (II) GRANTS FOR CAPITAL OR LEASEHOLD IMPROVEMENTS
13 SHALL BE FOR THE PURPOSES OF IMPROVING OR EXPANDING THE DELIVERY OF
14 HEALTH CARE IN THE HEALTH ENTERPRISE ZONE.

15 **20-1406.**

16 (A) THERE IS A HEALTH ENTERPRISE ZONE RESERVE FUND.

17 (B) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT
18 TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

19 (C) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE
20 FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

21 (2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE
22 CREDITED TO THE GENERAL FUND OF THE STATE.

23 (D) THE MONEY IN THE FUND SHALL BE USED FOR:

24 (1) ANY ACTIVITY AUTHORIZED UNDER THIS SUBTITLE; AND

25 (2) THE STATE INCOME TAX CREDIT AUTHORIZED UNDER §
26 10-731 OF THE TAX - GENERAL ARTICLE.

27 (E) THE COMMISSION SHALL ADMINISTER THE FUND AND PROVIDE
28 FUNDING IN ACCORDANCE WITH THE DESIGNATION BY THE SECRETARY OF A
29 HEALTH ENTERPRISE ZONE UNDER THIS SUBTITLE.

1 20-1407.

2 ON OR BEFORE DECEMBER 15 OF EACH YEAR, THE COMMISSION AND THE
3 ~~DEPARTMENT~~ SECRETARY SHALL SUBMIT TO THE GOVERNOR AND, IN
4 ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE
5 GENERAL ASSEMBLY, A REPORT THAT INCLUDES:

6 (1) THE NUMBER AND TYPES OF INCENTIVES GRANTED IN EACH
7 HEALTH ENTERPRISE ZONE;

8 (2) ~~ANY EVIDENCE~~ EVIDENCE OF THE ~~SUCCESS~~ IMPACT OF THE
9 TAX AND LOAN REPAYMENT INCENTIVES IN ATTRACTING HEALTH ENTERPRISE
10 ZONE PRACTITIONERS TO HEALTH ENTERPRISE ZONES;

11 (3) ~~ANY EVIDENCE~~ EVIDENCE OF THE ~~SUCCESS~~ IMPACT OF THE
12 INCENTIVES OFFERED IN HEALTH ENTERPRISE ZONES IN REDUCING HEALTH
13 DISPARITIES AND IMPROVING HEALTH OUTCOMES; AND

14 (4) ~~ANY EVIDENCE~~ EVIDENCE OF THE ~~SUCCESS~~ PROGRESS IN
15 REDUCING HEALTH COSTS AND HOSPITAL ADMISSIONS AND READMISSIONS IN
16 HEALTH ENTERPRISE ZONES.

17 Article – Tax – General

18 10-731.

19 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
20 MEANINGS INDICATED.

21 (2) “DEPARTMENT” MEANS THE DEPARTMENT OF HEALTH AND
22 MENTAL HYGIENE.

23 (3) “FUND” MEANS THE HEALTH ENTERPRISE ZONE RESERVE
24 FUND ESTABLISHED UNDER § 20-1406 OF THE HEALTH – GENERAL ARTICLE.

25 ~~(3)~~ (4) “HEALTH ENTERPRISE ZONE” HAS THE MEANING
26 STATED IN § 20-1401 OF THE HEALTH – GENERAL ARTICLE.

27 ~~(4)~~ (5) “HEALTH ENTERPRISE ZONE PRACTITIONER” HAS THE
28 MEANING STATED IN § 20-1401 OF THE HEALTH – GENERAL ARTICLE.

29 (6) “QUALIFIED EMPLOYEE” MEANS A HEALTH ENTERPRISE
30 ZONE PRACTITIONER, COMMUNITY HEALTH WORKER, OR INTERPRETER WHO:

1 **(I) PROVIDES DIRECT SUPPORT TO A HEALTH ENTERPRISE**
 2 **ZONE PRACTITIONER; AND**

3 **(II) EXPANDS ACCESS TO SERVICES IN A HEALTH**
 4 **ENTERPRISE ZONE.**

5 **(7) (I) "QUALIFIED POSITION" MEANS A QUALIFIED EMPLOYEE**
 6 **POSITION THAT:**

7 **1. PAYS AT LEAST 150% OF THE FEDERAL MINIMUM**
 8 **WAGE;**

9 **2. IS FULL TIME AND OF INDEFINITE DURATION;**

10 **3. IS LOCATED IN A HEALTH ENTERPRISE ZONE;**

11 **4. IS NEWLY CREATED AS A RESULT OF THE**
 12 **ESTABLISHMENT OF, OR EXPANSION OF SERVICES IN, A HEALTH ENTERPRISE**
 13 **ZONE; AND**

14 **5. IS FILLED.**

15 **(II) "QUALIFIED POSITION" DOES NOT INCLUDE A POSITION**
 16 **THAT IS FILLED FOR A PERIOD OF LESS THAN 12 MONTHS.**

17 **(B) A HEALTH ENTERPRISE ZONE PRACTITIONER WHO PRACTICES**
 18 **HEALTH CARE IN A HEALTH ENTERPRISE ZONE MAY BE ELIGIBLE FOR A TAX**
 19 **CREDIT AGAINST THE STATE INCOME TAX IN ACCORDANCE WITH A PROPOSAL**
 20 **APPROVED BY THE SECRETARY OF HEALTH AND MENTAL HYGIENE, IF THE**
 21 **INDIVIDUAL:**

22 **(1) DEMONSTRATES COMPETENCY IN CULTURAL, LINGUISTIC,**
 23 **AND HEALTH LITERACY IN A MANNER DETERMINED BY THE DEPARTMENT;**

24 **(2) ACCEPTS AND PROVIDES CARE FOR PATIENTS ENROLLED IN**
 25 **THE MARYLAND MEDICAL ASSISTANCE PROGRAM AND FOR UNINSURED**
 26 **PATIENTS; AND**

27 **(3) MEETS ANY OTHER CRITERIA ESTABLISHED BY THE**
 28 **DEPARTMENT.**

29 **(C) (1) A NONPROFIT COMMUNITY-BASED ORGANIZATION OR A**
 30 **LOCAL GOVERNMENT AGENCY ~~MAY SUBMIT~~ THAT SUBMITS A PROPOSAL TO THE**
 31 **DEPARTMENT AND THE COMMUNITY HEALTH RESOURCES COMMISSION**

1 UNDER TITLE 20, SUBTITLE 14 OF THE HEALTH – GENERAL ARTICLE
2 ~~REQUESTING AN ALLOCATION OF TAX CREDITS AGAINST THE STATE INCOME~~
3 ~~TAX FOR USE BY~~ MAY ALSO SUBMIT TO THE DEPARTMENT A REQUEST FOR
4 CERTIFICATION OF ELIGIBILITY FOR CERTAIN INCOME TAX CREDITS ON BEHALF
5 OF A HEALTH ENTERPRISE ZONE PRACTITIONERS PRACTITIONER PRACTICING
6 OR SEEKING TO PRACTICE IN A HEALTH ENTERPRISE ZONE.

7 (2) THE PROPOSAL SHALL MEET THE REQUIREMENTS SPECIFIED
8 UNDER TITLE 20, SUBTITLE 14 OF THE HEALTH – GENERAL ARTICLE.

9 ~~(D) IF THE DEPARTMENT APPROVES A PROPOSAL SUBMITTED UNDER~~
10 ~~THIS SECTION AND UNDER TITLE 20, SUBTITLE 14 OF THE HEALTH – GENERAL~~
11 ~~ARTICLE, THE NONPROFIT COMMUNITY-BASED ORGANIZATION OR LOCAL~~
12 ~~GOVERNMENT AGENCY THAT SUBMITTED THE PROPOSAL MAY ASSIGN THE TAX~~
13 ~~CREDIT AMOUNTS ALLOCATED TO THE HEALTH ENTERPRISE ZONE FOR A~~
14 ~~TAXABLE YEAR TO HEALTH ENTERPRISE ZONE PRACTITIONERS THAT~~
15 ~~ESTABLISH, EXPAND, OR MAINTAIN HEALTH CARE PRACTICES IN THE HEALTH~~
16 ~~ENTERPRISE ZONE DURING THE TAXABLE YEAR AND MEET THE REQUIREMENTS~~
17 ~~OF THIS SECTION.~~

18 ~~(E) A HEALTH ENTERPRISE ZONE PRACTITIONER MAY CLAIM A CREDIT~~
19 ~~AGAINST THE STATE INCOME TAX IN AN AMOUNT EQUAL TO THE AMOUNT OF~~
20 ~~THE TAX CREDIT ASSIGNED BY THE NONPROFIT COMMUNITY-BASED~~
21 ~~ORGANIZATION OR LOCAL GOVERNMENT AGENCY, AS CERTIFIED BY THE~~
22 ~~DEPARTMENT, FOR THE TAXABLE YEAR~~

23 (1) IF THE DEPARTMENT APPROVES A REQUEST FOR
24 CERTIFICATION SUBMITTED UNDER THIS SECTION, A HEALTH ENTERPRISE
25 ZONE PRACTITIONER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN
26 AN AMOUNT EQUAL TO 100% OF THE AMOUNT OF THE STATE INCOME TAX
27 EXPECTED TO BE DUE FROM THE HEALTH ENTERPRISE ZONE PRACTITIONER
28 FROM INCOME TO BE DERIVED FROM PRACTICE IN THE HEALTH ENTERPRISE
29 ZONE, AS CERTIFIED BY THE DEPARTMENT FOR THE TAXABLE YEAR.

30 (2) (I) IN ADDITION TO THE STATE INCOME TAX CREDIT
31 PROVIDED UNDER PARAGRAPH (1) OF THIS SUBSECTION, A HEALTH
32 ENTERPRISE ZONE PRACTITIONER MAY CLAIM A REFUNDABLE CREDIT OF
33 \$10,000 AGAINST THE STATE INCOME TAX FOR HIRING FOR A QUALIFIED
34 POSITION IN THE HEALTH ENTERPRISE ZONE, AS CERTIFIED BY THE
35 DEPARTMENT FOR THE TAXABLE YEAR.

36 (II) TO BE ELIGIBLE FOR THE CREDIT PROVIDED UNDER
37 THIS PARAGRAPH, A HEALTH ENTERPRISE ZONE PRACTITIONER MAY CREATE
38 ONE OR MORE QUALIFIED POSITIONS DURING ANY 24-MONTH PERIOD.

1 **(III) THE CREDIT EARNED UNDER THIS PARAGRAPH SHALL**
2 **BE TAKEN OVER A 24-MONTH PERIOD, WITH ONE-HALF FOR THE CREDIT**
3 **AMOUNT ALLOWED EACH YEAR BEGINNING WITH THE FIRST TAXABLE YEAR IN**
4 **WHICH THE CREDIT IS CERTIFIED.**

5 **(IV) IF THE QUALIFIED POSITION IS FILLED FOR A PERIOD**
6 **OF LESS THAN 24 MONTHS, THE TAX CREDIT SHALL BE RECAPTURED AS**
7 **FOLLOWS:**

8 **1. THE TAX CREDIT SHALL BE RECOMPUTED AND**
9 **REDUCED ON A PRORATED BASIS, BASED ON THE PERIOD OF TIME THE**
10 **POSITION WAS FILLED, AS DETERMINED BY THE DEPARTMENT AND REPORTED**
11 **TO THE COMPTROLLER; AND**

12 **2. THE HEALTH ENTERPRISE ZONE PRACTITIONER**
13 **WHO RECEIVED THE TAX CREDIT SHALL REPAY ANY AMOUNT OF THE CREDIT**
14 **THAT MAY HAVE ALREADY BEEN REFUNDED TO THE PRACTITIONER THAT**
15 **EXCEEDS THE AMOUNT RECOMPUTED BY THE DEPARTMENT IN ACCORDANCE**
16 **WITH ITEM 1 OF THIS SUBPARAGRAPH.**

17 **(3) (I) TO BE CERTIFIED AS ELIGIBLE FOR THE CREDITS**
18 **PROVIDED UNDER THIS SECTION, A HEALTH ENTERPRISE ZONE PRACTITIONER**
19 **MAY APPLY FOR CERTIFICATION THROUGH THE NONPROFIT**
20 **COMMUNITY-BASED ORGANIZATION OR LOCAL GOVERNMENT THAT SUBMITS AN**
21 **APPROVED PROPOSAL UNDER TITLE 20, SUBTITLE 14 OF THE HEALTH -**
22 **GENERAL ARTICLE.**

23 **(II) 1. ELIGIBILITY FOR THE CERTIFICATION FOR THE**
24 **CREDITS PROVIDED UNDER THIS SECTION IS LIMITED BY AVAILABILITY OF**
25 **BUDGETED FUNDS FOR THAT PURPOSE, AS DETERMINED BY THE DEPARTMENT.**

26 **2. CERTIFICATES OF ELIGIBILITY SHALL BE**
27 **SUBJECT TO APPROVAL BY THE DEPARTMENT ON A FIRST-COME,**
28 **FIRST-SERVED BASIS, AS DETERMINED BY THE DEPARTMENT IN ITS SOLE**
29 **DISCRETION.**

30 **(F) (E) THE DEPARTMENT SHALL CERTIFY TO THE COMPTROLLER**
31 **THE APPLICABILITY OF THE CREDIT PROVIDED UNDER THIS SECTION FOR EACH**
32 **HEALTH ENTERPRISE ZONE PRACTITIONER AND THE AMOUNT OF EACH CREDIT**
33 **ASSIGNED TO A HEALTH ENTERPRISE ZONE PRACTITIONER, FOR EACH**
34 **TAXABLE YEAR.**

1 (ii) Before adopting regulations to implement an evaluation
2 system under this subsection, the Commission shall consider recommendations of
3 nationally recognized organizations that are involved in quality of care and
4 performance measurement.

5 **(iii) IN IMPLEMENTING PARAGRAPH (3)(II) AND (III) OF THIS**
6 **SUBSECTION, THE COMMISSION SHALL CONSULT WITH APPROPRIATE**
7 **STAKEHOLDERS, INCLUDING AT LEAST ONE REPRESENTATIVE OF A CARRIER**
8 **THAT DOES BUSINESS PREDOMINANTLY IN THE STATE AND A CARRIER THAT**
9 **DOES BUSINESS IN THE STATE AND NATIONALLY, TO DETERMINE NATIONAL**
10 **STANDARDS FOR EVALUATING THE EFFECTIVENESS OF CARRIERS IN**
11 **ADDRESSING HEALTH DISPARITIES AND TO FULFILL THE PURPOSES OF**
12 **PARAGRAPH (3)(II) AND (III) OF THIS SUBSECTION IN A MANNER THAT CAN BE**
13 **EASILY REPLICATED IN OTHER STATES.**

14 (5) The Commission may contract with a private, nonprofit entity to
15 implement the system required under this subsection provided that the entity is not
16 an insurer.

17 (6) The annual evaluation summary required under paragraph (1) of
18 this subsection shall include to the extent feasible information on racial and ethnic
19 variations.

20 19–303.

21 (c) (1) Each nonprofit hospital shall submit an annual community benefit
22 report to the Health Services Cost Review Commission detailing the community
23 benefits provided by the hospital during the preceding year.

24 (2) The community benefit report shall include:

- 25 (i) The mission statement of the hospital;
- 26 (ii) A list of the initiatives that were undertaken by the hospital;
- 27 (iii) The cost to the hospital of each community benefit initiative;
- 28 (iv) The objectives of each community benefit initiative;
- 29 (v) A description of efforts taken to evaluate the effectiveness of
30 each community benefit initiative; [and]
- 31 (vi) A description of gaps in the availability of specialist
32 providers to serve the uninsured in the hospital; AND

1 (VII) A DESCRIPTION OF THE HOSPITAL'S EFFORTS TO TRACK
 2 AND REDUCE HEALTH DISPARITIES IN THE COMMUNITY THAT THE HOSPITAL
 3 SERVES, ~~IN THE FORM SET BY THE DEPARTMENT BY REGULATION.~~

4 **20-904.**

5 (A) ON OR BEFORE DECEMBER 1 OF EACH YEAR, EACH INSTITUTION OF
 6 HIGHER EDUCATION IN THE STATE THAT ~~INCLUDES IN THE CURRICULUM~~
 7 ~~COURSES~~ OFFERS A PROGRAM NECESSARY FOR THE LICENSING OF HEALTH
 8 CARE PROFESSIONALS IN THE STATE SHALL REPORT TO THE GOVERNOR AND,
 9 IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE
 10 GENERAL ASSEMBLY ON THE ACTIONS TAKEN BY THE INSTITUTION TO REDUCE
 11 HEALTH DISPARITIES.

12 (B) ~~THE DEPARTMENT~~ SECRETARY MAY SET STANDARDS FOR THE
 13 FORM OF THE REPORT REQUIRED UNDER THIS SECTION.

14 SECTION 3. AND BE IT FURTHER ENACTED, That the Health Services Cost
 15 Review Commission and the Maryland Health Care Commission shall:

16 (1) Study the feasibility of including racial and ethnic performance
 17 data tracking in quality incentive programs;

18 (2) In coordination with the evaluation of the Maryland Patient
 19 Centered Medical Home, develop recommendations for criteria and standards to
 20 measure the impact of the Maryland Patient Centered Medical Home on eliminating
 21 disparities in health care outcomes; and

22 ~~(2)~~ (3) Report to the General Assembly on or before January 1, 2013, data
 23 by race and ethnicity in quality incentive programs where feasible and
 24 recommendations for criteria and standards to measure the impact of the Maryland
 25 Patient Centered Medical Home on eliminating disparities in health care outcomes;
 26 and

27 ~~(3)~~ (4) Submit a report on or before January 1, 2013, to the Governor and,
 28 in accordance with § 2-1246 of the State Government Article, the General Assembly
 29 that explains when data cannot be reported by race and ethnicity and describes any
 30 necessary changes to overcome those limitations.

31 SECTION 4. AND BE IT FURTHER ENACTED, That:

32 (1) ~~the~~ The Maryland Health Quality and Cost Council shall:

33 ~~(1)~~ (i) Convene a workgroup to examine appropriate standards for
 34 cultural and linguistic competency for medical and behavioral health treatment and

1 the feasibility and desirability of incorporating these standards into reporting by
2 health care providers and tiering of reimbursement rates by payors; ~~and~~

3 (ii) Assess the feasibility of and develop recommendations for
4 criteria and standards establishing multicultural health care equity and assessment
5 programs for the Maryland Patient Centered Medical Home program and other health
6 care settings; and

7 (iii) Recommend criteria for health care providers in the State to
8 receive continuing education in multicultural health care, including cultural
9 competency and health literacy training.

10 (2) The workgroup established under this section may include
11 representatives from:

12 (i) The Maryland Health Care Commission;

13 (ii) The Maryland Office of Minority Health and Health
14 Disparities;

15 (iii) Academic centers of health literacy and academic centers for
16 health disparities research;

17 (iv) The Department of Health and Mental Hygiene;

18 (v) Health Occupations Boards in the State;

19 (vi) A wide range of health care professionals and providers;

20 (vii) Experts on health disparities and health literacy;

21 (viii) Accreditation entities, including the National Committee for
22 Quality Assurance and URAC;

23 (ix) Members of the Maryland Patient Centered Medical Home
24 Program Learning Collaborative; and

25 (x) The Maryland Advisory Council on Mental Hygiene/Cultural
26 Competence Advisory Group.

27 (3) The academic centers of health literacy and the academic centers
28 for health disparities research shall assist the Maryland Health Care Commission and
29 the Department of Health and Mental Hygiene in staffing and leading the workgroup.

30 ~~(2) (4) Submit~~ The workgroup shall submit a report to the Governor and,
31 ~~in accordance with § 2-1246 of the State Government Article, the General Assembly~~

1 Maryland Quality and Cost Council on or before ~~January~~ December 1, 2013, on its
2 findings and recommendations.

3 SECTION 5. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall
4 be applicable to all taxable years beginning after December 31, 2012, but before
5 January 1, 2016.

6 SECTION 6. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall
7 take effect July 1, 2012. It shall remain effective for a period of 4 years and, at the end
8 of June 30, 2016, with no further action required by the General Assembly, Section 1
9 of this Act shall be abrogated and of no further force and effect.

10 SECTION 7. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
11 take effect on October 1, 2012.

12 SECTION 8. AND BE IT FURTHER ENACTED, That, except as provided in
13 Sections 6 and 7 of this Act, this Act shall take effect July 1, 2012.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.